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A Monthly Report from the Consumer Research Center

Consumer Confidence Survey

April, 1990

Consumers In Better Spirits

The Conference Board's measure of consumer confidence perked up in March, the first significant improvement in five months. The latest Index reading (1985 = 100) of 110.2, represents a moderate gain of 3.5 points for the month. The public view of ongoing business conditions is not quite as positive as the month before, but expectations are markedly more optimistic than previously.

In their assessment of ongoing business conditions, some 20% believe that business is "bad," up about 2 points for the month. On the availability of jobs, opinion has not changed very much.

In looking ahead, however, people are now more optimistic than in the first two months of the year. The number that believe business conditions will improve has increased, while those that fear they will worsen has eased. Similarly, on the question of employment prospects for the next six months, respondents also feel more secure. In both January and February, pessimists had outnumbered optimists, but in March the situation was reversed. Finally, in assessing their own families' likely fortunes in the months ahead, figures are substantially unchanged.

Buying plans are mixed. Intentions to buy a car have been rising steadily, if only slightly, since October. Now, 7.7% of all those interviewed indicate car buying plans. Last year at this time, the figure was 7.1 percent. Plans to buy homes are affected by prevailing mortgage rates. Earlier this year, with the cost of money edging down, such plans grew more prevalent, but with the recent rise in interest rates, they have retreated. In March, only 3.4% of those queried indicated intentions to purchase a home, down from 4.1% in February. Interest in acquiring a major appliance also declined last month.

The improved mood in March entirely reflects the consumer's increased optimism about the immediate future. People are especially more positive about employment prospects. Recent developments have certainly contributed to this greater sense of job security—there has been a substantial increase in the number of new jobs. This has apparently also made consumers more comfortable with the general business outlook. But while the March survey numbers represent an encouraging improvement over those of the previous two months, the consumer's spirits are not as high as they were through all of last year. Still, the latest figures do not give the faintest suggestion that the nation may be moving into recession.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

Business | Employment | Income

All series seasonally adjusted	1989 Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1990 Jan.	Feb.(r)	Mar(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	117.4	116.6	116.7	117.2	120.4	115.4	116.3	117.0	115.1	113.0	106.5	106.7	110.2
Present Situation	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.0	132.3	125.9	120.7	126.3	124.3
Expectations	104.9	101.8	103.0	105.1	106.6	103.7	106.1	106.4	103.7	104.4	97.0	93.7	100.8
Appraisal of Present Situation: Percent													
Business Conditions													
Good	28.4	28.9	30.1	28.3	31.6	27.5	27.1	28.0	26.2	25.1	22.7	25.1	25.0
Bad	16.1	16.4	16.5	17.2	15.5	17.4	16.9	16.9	15.2	17.3	18.9	18.1	19.9
Normal	55.5	54.7	53.4	54.5	52.9	55.1	56.0	55.1	58.6	57.6	58.4	56.8	55.1
Employment													
Jobs plentiful	32.8	34.5	34.1	33.2	33.1	31.6	30.4	30.4	29.6	27.0	27.2	28.1	29.4
Jobs not so plentiful	46.7	45.7	44.8	46.4	47.6	48.1	48.9	49.4	49.7	52.4	51.2	51.4	49.1
Jobs hard to get	20.5	19.8	21.1	20.4	19.3	20.3	20.7	20.2	20.7	20.6	21.6	20.5	21.5
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	17.9	17.3	20.7	20.1	18.8	18.3	18.3	19.5	17.6	18.3	17.0	16.7	18.7
Worse	8.0	8.8	8.9	8.7	8.4	8.3	7.5	7.9	8.3	8.1	9.7	11.4	9.8
Same	74.1	73.9	70.4	71.2	72.8	73.4	74.2	72.6	74.1	73.6	73.3	71.9	71.5
Employment													
More jobs	15.9	15.4	18.9	17.9	18.6	17.2	17.4	17.3	16.1	16.6	14.6	14.3	16.4
Fewer jobs	12.7	13.1	15.6	14.2	13.2	14.3	13.8	13.7	14.0	14.9	16.8	17.4	15.5
Same	71.4	71.5	65.5	67.9	68.2	68.5	68.8	69.0	69.9	68.5	68.6	68.3	68.1
Income													
Increase	25.2	25.8	26.5	27.0	27.3	26.1	28.5	27.7	29.3	30.2	28.7	26.6	26.7
Decrease	6.1	7.0	8.1	6.7	6.8	6.6	6.6	6.3	6.3	5.9	6.1	6.0	6.1
Same	68.7	67.2	65.4	66.3	65.9	67.3	64.9	66.0	64.4	63.9	65.2	67.4	67.2
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.1	7.3	8.5	6.7	7.1	7.4	8.1	6.7	6.9	7.1	7.5	7.6	7.7
New	4.0	4.0	4.0	3.6	3.6	4.2	3.6	3.7	3.2	3.3	4.1	3.2	4.0
Used	2.7	2.7	3.2	2.5	2.4	2.6	3.3	2.2	2.9	2.8	3.0	3.3	2.9
Uncertain	0.4	0.6	1.3	0.6	1.1	0.6	1.2	0.8	0.8	1.0	0.4	1.1	0.8
Home													
Yes	3.1	3.2	3.4	3.3	3.7	3.5	3.1	3.3	3.0	3.3	3.6	4.1	3.4
New	0.7	1.0	0.9	0.6	1.1	1.1	0.9	1.0	1.1	0.8	0.9	1.0	0.9
Lived in	1.5	1.5	1.4	1.8	1.8	1.6	1.4	1.4	1.5	1.7	1.9	1.9	1.3
Uncertain	0.9	0.7	1.1	0.9	0.8	0.8	0.8	0.9	0.4	0.8	0.8	1.2	1.2
Major appliances													
Total plans	28.4	31.6	27.4	26.8	30.5	28.3	27.4	31.1	25.7	28.8	30.8	31.5	29.6
Refrigerator	4.3	5.4	4.5	4.6	4.4	4.0	4.1	4.7	3.8	4.1	5.2	4.3	5.0
Washing machine	4.2	4.2	3.1	3.4	4.5	3.9	3.5	4.8	3.7	4.4	3.8	4.8	3.9
TV Set	6.4	7.0	6.8	5.3	8.0	6.9	6.6	7.5	6.2	7.9	7.0	7.8	6.7
Vacuum Cleaner	4.9	4.7	5.2	5.0	4.8	5.8	4.7	4.9	4.6	5.0	5.6	5.1	6.0
Range	2.5	3.5	2.8	2.5	3.3	2.5	2.4	3.3	2.8	2.3	3.3	3.1	2.6
Clothes dryer	4.0	3.8	2.6	3.7	3.3	3.3	2.8	3.9	3.1	3.4	3.3	3.7	3.4
Air conditioner	2.1	3.0	2.4	2.3	2.2	1.9	3.3	2.0	1.5	1.7	2.6	2.7	2.0
Carpet	6.3	6.7	6.7	5.9	7.8	6.9	6.0	6.9	5.8	6.4	6.2	6.9	6.6
Vacation Intended Within Six Months: Percent													
Vacation Intended		46.8		45.7		50.2		49.0		52.4		49.9	
Destination													
U.S.		38.6		40.8		42.8		41.8		44.4		42.8	
Foreign country		8.1		8.4		9.4		8.6		9.5		9.3	
Means of travel													
Automobile		26.8		27.7		30.1		28.9		29.6		28.7	
Airplane		17.0		18.4		18.8		18.0		19.7		19.6	
Other		4.1		4.5		4.0		4.2		4.9		4.4	

(p)—preliminary (r)—revised

ATTENTION DATA USERS: Data in this publication are available online. For information, phone (212) 339-0216.

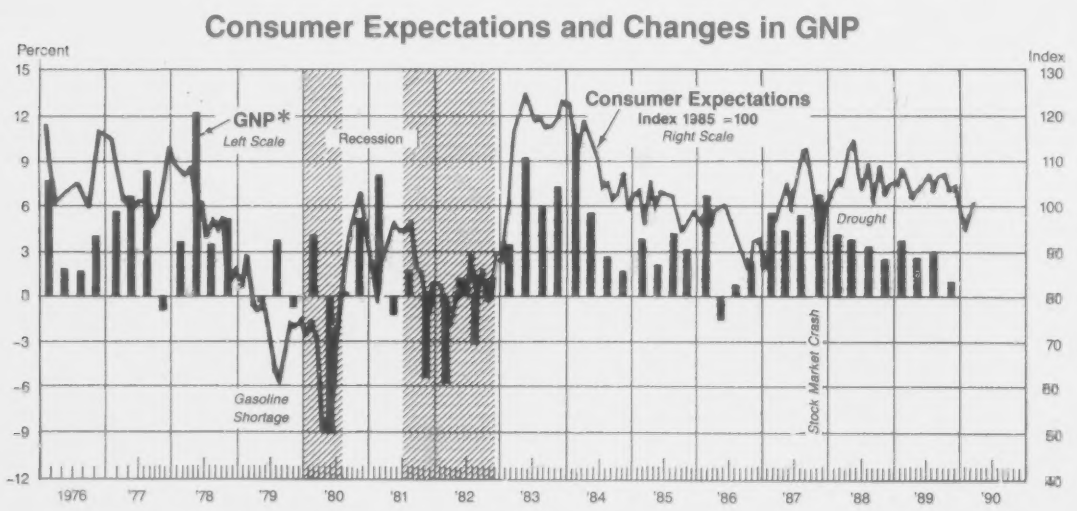
Inflation Interest Rates Stock Prices

Not seasonally adjusted	1989 Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1990 Jan.	Feb.(r)	Mar.(p)
	Expectations for Twelve Months Hence: Percent												
Inflation Rate													
Average	4.8	5.1	4.9	4.7	4.8	4.7	4.7	4.8	4.7	4.7	5.2	4.8	4.8
Interest Rates													
Higher	79.9	76.4	69.9	57.3	52.4	44.9	52.4	56.0	52.1	49.0	47.2	52.5	58.4
Same	13.6	14.8	17.6	21.5	21.6	25.1	26.4	25.6	27.7	25.9	24.1	26.0	24.0
Lower	6.5	8.8	13.5	21.2	26.0	30.0	21.2	18.4	20.2	25.1	28.7	21.5	17.6
Stock Prices													
Increase	39.5	39.9	42.7	44.0	41.0	41.8	46.0	45.0	38.0	42.2	41.6	35.0	39.3
Same	34.3	35.9	33.3	34.6	34.9	34.7	32.7	33.3	36.9	34.9	35.1	35.7	34.0
Decrease	26.2	24.2	24.0	21.4	24.1	23.5	21.3	21.7	25.1	22.9	23.3	29.3	26.7

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1989 Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1990 Jan.	Feb.(r)	Mar.(p)	3 mos. Percent Change*
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	122.3	120.5	124.2	126.8	128.9	126.7	123.0	125.9	127.2	121.2	115.4	119.3	122.8	- 4.5
35-54	118.8	121.1	115.9	122.8	121.7	119.8	115.2	115.1	115.5	112.5	105.8	107.9	111.3	- 5.3
55 and over	109.5	106.9	110.4	102.6	111.9	100.8	109.1	109.0	103.7	105.3	96.5	91.3	97.8	-10.2
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	94.1	94.0	87.1	90.3	88.9	89.6	82.3	87.9	84.7	89.4	80.9	78.1	82.1	- 7.9
$15,000-24,999	107.6	114.3	113.0	109.0	121.7	113.5	113.0	107.3	113.4	106.6	97.6	97.1	102.9	- 9.1
$25,000 and over	131.4	128.2	131.5	132.1	133.8	127.3	130.2	129.9	127.3	124.3	118.4	119.9	123.8	- 5.1

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985 = 100	1989										1990			AVERAGE: Jan., Feb., Mar.		
	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.(r)	Mar.(p)	1989	1990	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	144.2	138.5	129.7	118.3	123.4	113.7	117.5	116.3	92.7	92.9	72.4	80.5	83.8	143.1	78.9	-44.9
Present Situation	199.5	198.3	189.4	180.0	183.9	170.0	176.7	168.2	129.8	130.3	101.3	105.4	96.4	197.6	101.0	-48.9
Expectations	107.3	98.7	89.9	77.2	83.2	76.2	78.1	81.8	67.9	68.0	53.2	63.9	75.4	106.7	64.1	-39.9
MIDDLE ATLANTIC																
Consumer Confidence Index	117.3	117.8	112.6	122.1	116.1	114.5	120.8	119.2	120.9	113.3	109.0	101.4	99.0	121.4	103.1	-15.1
Present Situation	142.6	150.7	137.8	155.9	150.1	144.5	149.8	151.1	151.9	144.2	128.7	126.6	111.5	147.7	122.2	-17.2
Expectations	100.4	95.9	95.8	99.5	93.4	94.5	101.5	98.0	100.2	92.8	95.9	84.6	90.7	103.9	90.4	-13.0
EAST NORTH CENTRAL																
Consumer Confidence Index	113.8	113.9	114.9	115.3	118.2	114.1	118.0	121.2	114.3	113.8	105.5	102.4	106.8	116.9	104.9	-10.3
Present Situation	130.2	132.9	137.4	137.1	144.0	140.6	142.2	147.6	139.3	130.6	119.4	117.2	112.4	132.4	116.3	-12.1
Expectations	102.9	101.2	100.0	100.8	101.0	96.4	101.9	103.6	97.6	102.7	96.2	92.5	103.2	106.6	97.3	- 8.7
WEST NORTH CENTRAL																
Consumer Confidence Index	102.2	89.4	80.4	84.5	97.7	93.7	91.6	113.0	112.5	103.0	95.7	98.2	90.8	100.5	94.9	- 5.6
Present Situation	99.9	101.0	94.2	95.5	118.5	101.1	110.9	131.1	122.9	122.1	102.8	105.1	100.1	99.2	102.6	3.5
Expectations	103.8	81.7	71.2	77.1	83.9	88.8	78.8	101.0	105.5	90.3	91.0	93.6	84.6	101.3	89.7	-11.5
SOUTH ATLANTIC																
Consumer Confidence Index	137.0	134.0	133.7	140.1	141.6	136.9	136.5	140.2	140.3	124.9	124.6	125.2	130.1	134.4	126.6	- 5.8
Present Situation	170.7	171.9	165.3	172.8	178.2	170.6	166.6	174.1	174.8	157.3	147.7	148.3	157.0	168.4	151.0	-10.3
Expectations	114.6	108.8	112.6	118.4	117.2	114.5	116.5	117.6	117.3	103.3	109.3	109.8	112.1	111.8	110.4	- 1.2
EAST SOUTH CENTRAL																
Consumer Confidence Index	111.6	88.9	106.5	100.1	103.7	88.8	101.0	101.9	104.6	99.5	90.6	87.6	101.2	109.1	93.1	-14.6
Present Situation	100.2	92.2	114.4	94.8	95.2	82.1	100.2	102.6	99.0	90.0	79.1	81.4	86.5	95.3	82.3	-13.6
Expectations	119.2	86.7	101.2	103.6	109.5	93.3	101.6	101.4	108.3	105.8	98.3	91.7	111.0	118.3	100.3	-15.2
WEST SOUTH CENTRAL																
Consumer Confidence Index	77.0	82.6	77.4	79.0	88.5	78.4	85.9	87.5	79.7	87.5	84.7	95.6	95.9	81.8	92.1	12.6
Present Situation	30.3	38.8	44.2	46.0	59.9	41.8	45.8	47.5	54.6	48.4	43.9	58.7	64.3	31.9	55.6	74.6
Expectations	108.2	111.8	99.5	100.9	107.5	102.9	112.7	114.2	96.4	113.5	112.0	120.2	117.0	115.1	116.4	1.1
MOUNTAIN																
Consumer Confidence Index	100.6	92.6	90.5	91.7	82.5	85.6	98.2	94.0	98.2	89.7	84.3	92.8	96.9	87.9	91.3	3.9
Present Situation	80.4	77.3	75.1	70.6	68.1	71.2	87.7	70.4	74.7	58.1	53.7	69.0	72.5	58.0	65.1	12.2
Expectations	114.2	102.8	100.8	105.8	92.1	95.3	105.3	109.8	113.9	110.8	104.7	108.6	113.2	107.9	108.8	0.9
PACIFIC																
Consumer Confidence Index	130.0	131.3	134.9	134.6	135.3	133.5	135.6	142.7	134.5	132.3	134.1	138.5	141.3	132.1	138.0	4.4
Present Situation	157.6	165.5	173.2	171.3	171.3	170.3	173.7	178.1	167.3	169.9	166.5	174.6	169.5	159.7	170.2	6.6
Expectations	111.6	108.5	109.4	110.1	111.3	109.0	110.2	119.1	112.7	107.3	112.6	114.4	122.5	113.8	116.5	2.4

*Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.